

upon the recommendation of the Secretary (1) the Regional Director may extend the 180 day period for up to 30 days or (2) the Administrator may extend the 180 day period for more than 30 days.

§ 38.4 Contracts.

(a) *Eligibility.* Public agencies and private mental health organizations which are determined by the Secretary to be capable of providing the professional mental health crisis counseling services or mental health training of disaster workers needed as a result of a major disaster are eligible for the award of a contract under this part.

(b) *Use of local agencies.* Preference will be given to the extent feasible and practicable, to those agencies and organizations which are located or do business primarily in the area affected by the major disaster.

(c) *General requirements.* Contracts under this part shall be entered into and carried out in accordance with the provisions of chapters 1 and 3 of title 41 of the Code of Federal Regulations and all other applicable laws and regulations.

(d) *Payments.* The Secretary shall from time to time make payments to the contractor of all or a portion of the contract award, either by way of reimbursement for expenses incurred or in advance for expenses to be incurred, to the extent he determines such payments are necessary to promote prompt initiation and advancement of the services to be provided under the contract. All payments not expended by the contractor within the period of the contract shall be returned to the Secretary.

(e) *Reports.* Contractors shall submit the following reports to the Secretary:

(1) Progress reports, to be submitted at the end of the first 30 days of the contract period and every 30 days thereafter;

(2) A final report to be submitted within 60 days of the date upon which the contract terminates; and

(3) Such additional reports as the Secretary may prescribe including those which may be required to enable the Federal Coordinating Officer to carry out his functions.

§ 38.5 Grant assistance.

(a) *Eligibility.* Public agencies and private nonprofit mental health organizations which are determined by the Secretary to be capable of providing the professional mental health crisis counseling services or mental health training of disaster workers needed as a result of a major disaster are eligible for a grant award under this part.

(b) *Application.* The application shall contain:

(1) A proposed plan for the provision of the services for which grant assistance is requested;

(2) A proposed budget for the expenditure of the requested grant funds; and

(3) Such other pertinent information and assurances as the Secretary may require.

(c) *Grant awards.* (1) Preference will be given, to the extent feasible and practicable, to those public and private nonprofit agencies and organizations which are located or do business primarily in the area affected by the major disaster.

(2) Within the limits of the funds advanced by the Administrator, the amount of any grant award shall be determined on the basis of the Secretary's estimate of the sum necessary to carry out the grant purpose.

(3) Neither the approval of any application nor the award of any grant commits or obligates the United States in any way to make any additional, supplemental, continuation, or other award with respect to any approved application or portion of an approved application.

(d) *Other HHS regulations that apply.* Several other regulations apply to grants under this grant. These include, but are not limited to:

42 CFR part 50, subpart D—Public Health Service grant appeals procedure

45 CFR part 16—Procedures of the Departmental Grant Appeals Board

45 CFR part 74—Administration of grants

45 CFR part 75—Informal grant appeals procedures

45 CFR part 80—Nondiscrimination under programs receiving Federal assistance through the Department of Health and Human Services effectuation of Title VI of the Civil Rights Act of 1964

45 CFR part 81—Practice and procedure for hearings under part 80 of this title

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45 CFR part 84—Nondiscrimination on the basis of handicap in programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 86—Nondiscrimination on the basis of sex in education programs and activities receiving or benefiting from Federal financial assistance

45 CFR part 91—Nondiscrimination on the basis of age in HHS programs or activities receiving Federal financial assistance

(e) *Expenditure of grant funds.* Any funds granted pursuant to this part shall be expended solely for the purposes for which the funds were granted in accordance with the approved application and budget, the regulations of this part, the terms and the conditions of the award, and the applicable cost principles prescribed in subpart Q of 45 CFR part 74.

(f) *Reports.* In exceptional circumstances, a grantee may be required to submit special progress reports, in addition to those otherwise required, relating to the conduct and results of the approved grant.

[41 FR 52052, Nov. 26, 1976, as amended at 45 FR 57396, Aug. 28, 1980; 49 FR 38109, Sept. 27, 1984]

§ 38.6 Nondiscrimination.

Attention is called to the requirements of 24 CFR 2205.13 relating to nondiscrimination on the grounds of race, religion, sex, color, age, economic status, or national origin in the provision of disaster assistance.

§ 38.7 Nonliability.

Attention is called to section 308 of the Act (42 U.S.C. 5148) which provides

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that the Federal Government shall not be liable for any claim based upon the exercise or performance of or the failure to exercise or perform a discretionary function or duty on the part of a Federal agency or an employee of the Federal Government in carrying out the provisions of the Act.

§ 38.8 Criminal and civil penalties.

Attention is called to section 317 of the Act (42 U.S.C. 5157) which provides:

(a) Any individual who fraudulently or willfully misstates any fact in connection with a request for assistance under this Act shall be fined not more than \$10,000 or imprisoned for not more than one year or both for each violation.

(b) Any individual who knowingly violates any order or regulation under this Act shall be subject to a civil penalty of not more than \$5,000 for each violation.

(c) Whoever knowingly misapplies the proceeds of a loan or other cash benefit obtained under any section of this Act shall be subject to a fine in an amount equal to one and one half times the original principal amount of the loan or cash benefit.

§ 38.9 Federal audits.

The Secretary, the Administrator, and the Comptroller General of the United States, or their duly authorized representatives shall have access to any books, documents, papers, and records that pertain to Federal funds, equipment, and supplies received under this part for the purpose of audit and examination.